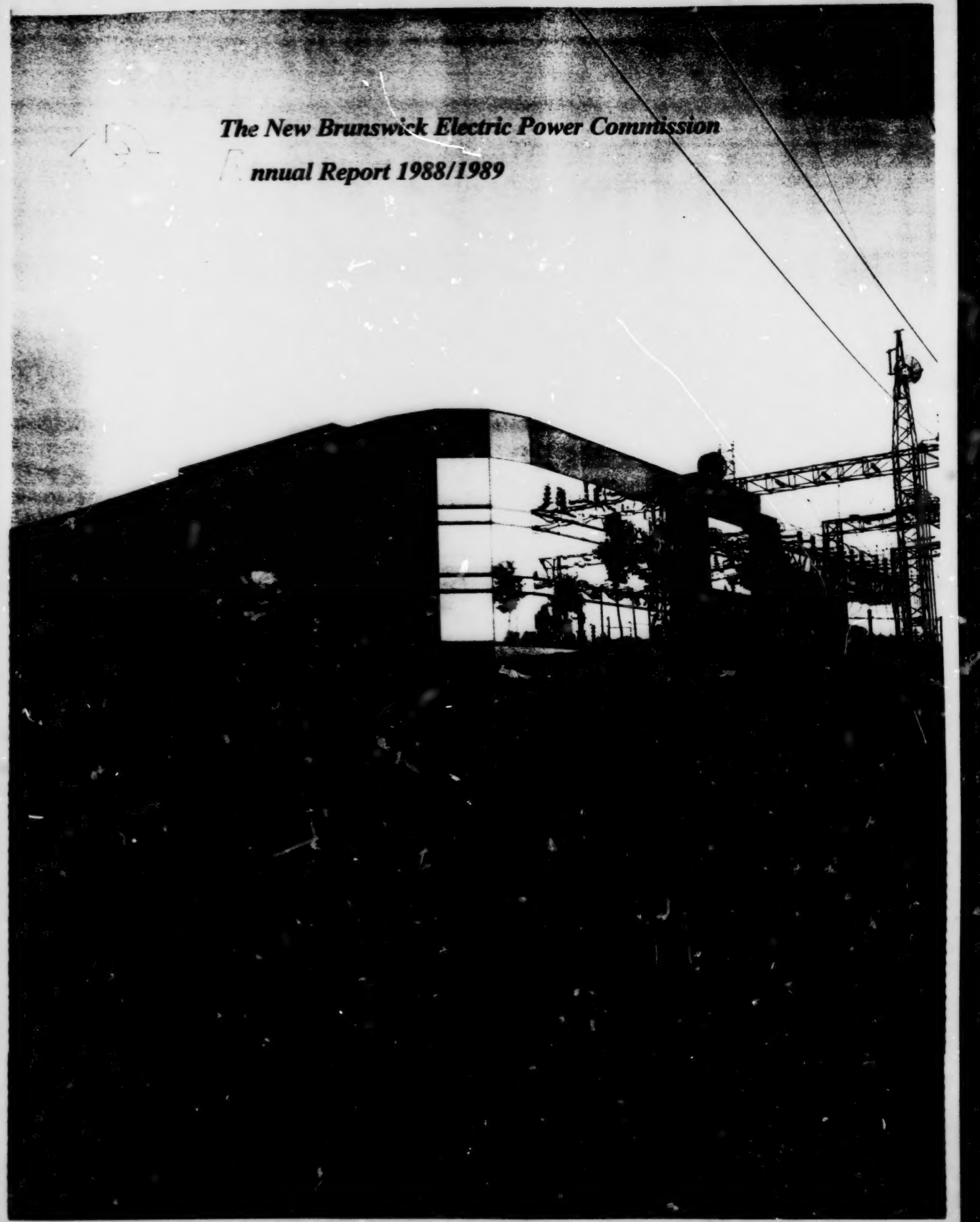

The New Brunswick Electric Power Commission

nnual Report 1988/1989

91-04451/

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ighlights

- *Net income of $47.6 million, up from $36.0 million the previous year*
- *No increase in electricity rates for the third fiscal year in a row*
- *Point Lepreau fiscal year capacity factor of 96.5%*
- *In-province consumption up 6.2%*

Cover

The Energy Control Centre, Moncton

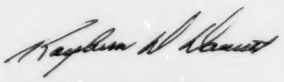
26 June 1989

To His Honour
The Honourable Gilbert Finn
Lieutenant-Governor of New Brunswick

Sir:

The New Brunswick Electric Power Commission begs leave to submit, in accordance with the Electric Power Act, Chapter E-5, of the revised Statutes of New Brunswick 1973, the following report for the twelve month period ended 31 March 1989.

I am, Your Honour,
Yours very truly,



Rayburn D. Doucett
Chairman
The New Brunswick
Electric Power Commission

Chairman's Comments

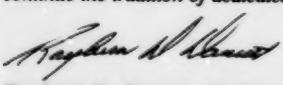
"NB Power is on the threshold of a major capital construction program..."

NB Power is on the threshold of a major capital construction program which will provide a secure supply of power at a competitive cost and with an acceptable impact on the environment. Beginning with the 450 megawatt unit proposed for Belledune, some 1,000 megawatts of new thermal generation are expected to be added over the next decade. This expansion program will provide significant business opportunities and will create several thousand jobs for New Brunswickers and other Canadians. NB Power will continue to promote local economic development as part of its capital construction program.

Energy exports have historically contributed to lower rates for New Brunswick customers. NB Power is making every effort to ensure that our export markets provide continuing benefits to help offset increased cost pressures from new generating facilities, higher fuel prices and emission control expenditures.

Under existing contracts, NB Power sells up to 600 MW of power to New England, including 120 MW in short-term capacity contracts which are helping to bridge the gap during a period of declining economy energy exports. We are actively negotiating with various New England utilities to extend some of these contracts and to make new long-term sales. We are moving ahead with a second high-voltage transmission link between New Brunswick and Maine to enable NB Power to undertake additional sales as well as transfers of power from neighbouring systems.

On March 31, 1989 Art O'Connor retired after a distinguished career of 40 years with NB Power, 22 of them as president and general manager. During his tenure, NB Power achieved a number of "firsts" in the utility business which led to closing the gap in electricity rates between New Brunswick and larger provinces. Frank MacLoon, the former executive vice-president, has been appointed president and general manager. Mr. MacLoon brings a tremendous depth of utility experience to his new position and will continue the tradition of dedicated leadership.



Rayburn D. Doucett, Chairman

President's Comments

"I'm grateful for the support of all my colleagues, chairmen, commissioners and premiers over so many years."

In 1988/89 financial performance improved for the sixth consecutive year. Net income rose to $47.6 million from $36.0 million in the previous year. The benefits of refinancing, coupled with lower-than-anticipated oil prices and a strong Canadian dollar, offset the impact of increased plant costs.

In-province energy sales increased by 6.2% during the year, reflecting a continued strong industrial economy and substantial increases in the residential and commercial sectors.

The Point Lepreau Generating Station continues to lead world nuclear performance. The unit had a capacity factor of 96.5% for the fiscal year and is one of six CANDU reactors in the top 10 for best lifetime performance in a field of 285 large reactors world-wide.

In January 1989, Belledune in northern New Brunswick was chosen as the site for a new 450 megawatt thermal generating station. In conjunction with Belledune and other projects, the utility is implementing a comprehensive sulphur dioxide reduction program which will reduce SO_2 emissions to less than the 1994 target of a 1987 federal/provincial agreement.

NB Power has not increased its power rates since April 1985. Power costs to New Brunswick consumers in certain classifications are lower than rates in larger provinces, and much lower than rates in neighbouring New England states.

Electricity demand is increasing at a steady rate. While average growth rates are projected to be under 3% per year to the year 2000, the demands to be placed on the electrical system rival those of any period in NB Power's history. These demands are occurring at a time of ever-increasing environmental constraints, providing a challenge to select those energy options which respect our environmental commitments and keep our rates competitive.

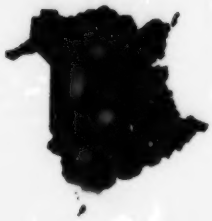
As my management career with NB Power finishes, I take considerable satisfaction in the achievements of the utility - achievements made possible by good teamwork, professional competence and unusual dedication by a lot of very fine colleagues. I'm grateful for the support of all my colleagues, chairmen, commissioners and premiers over so many years. I'm delighted that Frank MacLoon, with whom I have worked for a long time, has been appointed NB Power's new president and general manager.

A.J. O'Connor

***A.J. O'Connor**, President and General Manager*
Retired March 31, 1989

The Year in Review

Energy co-ordinator Robert Chase at work in the new energy control room.



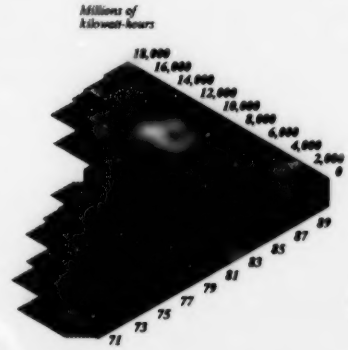
Electrical energy sales to in-province customers increased by 6.2% over the previous fiscal year. Residential sales increased by 11.1%. The number of residential customers increased by 5,000 and over 3,300 homes converted to electric space heating. A reduction in the use of wood for home heating, and a colder than average winter, were contributing factors to the higher than expected growth in residential sales.

Sales increased by 6.6% to wholesale customers and by 9.0% to general service customers. A good operating year for industrial customers resulted in a 2.2% growth over the previous record high sales of 1987/88. The growth in industrial sales was due primarily to the strong performance of the pulp and paper industry.

Nearly 6,200 new customers in all classifications were added to the system during the year, bringing the total to 303,540 customers by March 31, 1989. This figure includes 39,081 indirect customers who purchase from municipal utilities in Saint John and Edmundston.

Although the winter of 1988/89 was colder than average, there were fewer consecutive days of bitterly cold weather. This is why the year's in-province peak demand of 2,303,000 kilowatts, which occurred on February 17, 1989, was 1.4% lower than the previous peak set in 1987/88 and about 5.1% lower than forecast. Record energy sales to in-province customers were recorded on January 5, 1989 with sales for the day totalling 50.2 million kilowatt-hours. In-province energy loads for the yea. were supplied as follows: 29.1% by oil; 26.8% by nuclear; 21.9% by purchased power; 17.4% by hydro and 4.8% by coal.

In-province and Export Sales



Fiscal year ended March 31

■ Export
■ In-province

Energy exports have been a major factor in keeping power rates stable in New Brunswick.

Interconnection energy sales dropped by 5.8% from 6,312 million kilowatt-hours in 1987/88 to 5,946 million kilowatt-hours in 1988/89. Despite this decrease, the year's gross peak demand (including interconnection sales) was 3,389,000 kilowatts on December 5, 1988, 9.4% higher than the previous year.

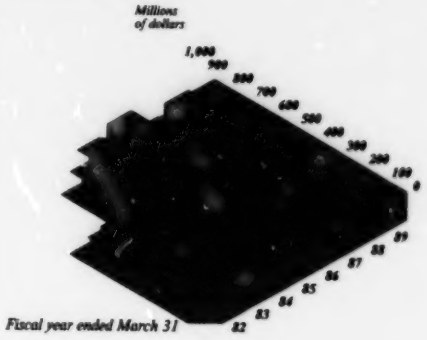
The participation contracts with four New England utilities for 230 megawatts of Point Lepreau power, valued at more than $100 million annually, were extended for another year. One of the four utilities, the Massachusetts Municipal Wholesale Electric Company, signed an agreement to extend its participation to 1994. This extension is subject to both Canadian and United States regulatory approvals.

NB Power also signed the following new capacity and energy sales contracts in 1988/89: an agreement with Hydro-Québec for 150 megawatts of capacity; five agreements for 60 megawatts each with Boston Edison, Public Service of New Hampshire, New England Power, Central Maine Power and Maine Electric Power Company; an agreement for up to 10 megawatts with Maine Public Service and one for five megawatts with Maritime Electric of Prince Edward Island. In August 1988, NB Power, the Province of Prince Edward Island and the Maritime Electric Company signed an agreement for the sale of firm energy and capacity to Maritime Electric valued at $175 million over a six-year period beginning November 1988, with provision for extension beyond the contract period.

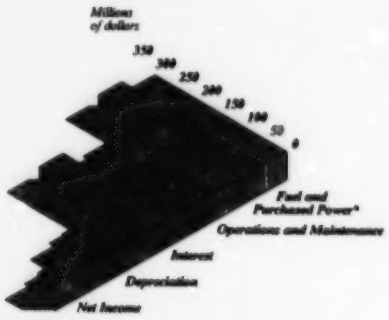
Power purchases dropped 41.5% from 5,745 million kilowatt-hours in 1987/88 to 3,360 million kilowatt-hours in 1988/89. The drop in purchases was due to a reduced supply of replacement energy from Hydro-Québec. The reduction was because of below normal precipitation and a substantial increase in loads on the Hydro-Québec system..

Point Lepreau gross generation was 5,747 million kilowatt-hours, a record high production level. Thermal gross generation was 7,900 million kilowatt-hours, an increase of 41.4% over last year; gross hydro energy production of 2,302 million kilowatt-hours was 13.8% lower than the long-term average. Total generation and purchases increased by 409 million kilowatt-hours from 18,901 million kilowatt-hours in 1887/88 to 19,309 million kilowatt-hours in 1988/89.

Sources of Revenue



Distribution of Revenue



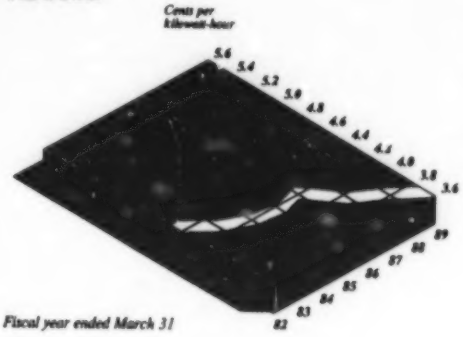
Total revenue amounted to $856.3 million, a decrease of $10.6 million or 1.2% from the previous year. Despite no increase in rates during the fiscal period, 1988/89 in-province revenues rose $32.6 million due to the 6.2% increase in energy sales. Interconnection revenues decreased $44.2 million or 15.5% because of lower economy energy exports and reduced rates due to lower oil prices.

The total cost of fuel and purchased power decreased by $32.6 million or 10.6% to $274.2 million. Lower oil prices more than offset the effects of less energy available for purchase and higher prices for purchased power. Operations, maintenance and general expenses increased $21.9 million or 11.0% to $221.2 million due largely to increased maintenance costs. Depreciation expenses increased $13.8 million to $98.1 million due in part to the implementation of a Point Lepreau fuel channel removal charge policy, as discussed in Note 11 to the financial statements. Net financial expenses declined $37.7 million or 15.8% as a result of refinancing and a stronger Canadian dollar.

Excellent performance by Point Lepreau more than offset below average water flows and resulted in an addition of $2.3 million to the generation equalization reserve and a corresponding charge against net income.

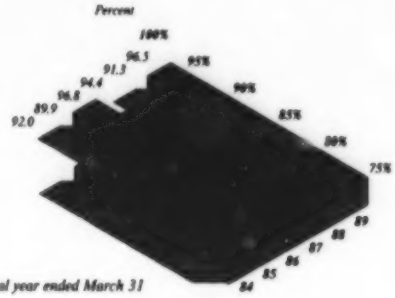
Earnings from export sales to neighbouring utilities were $16.0 million above forecast levels. This amount, less scheduled amortization of higher-than-forecast earnings of previous years, resulted in a total transfer of $12.5 million to the export sales stabilization account from income.

Average Cost to Customer (¢/kW.h)
In-province Sales
NB Power



■ *Actual $*
□ *1981 $*

Point Lepreau Fiscal Year Capacity Factor

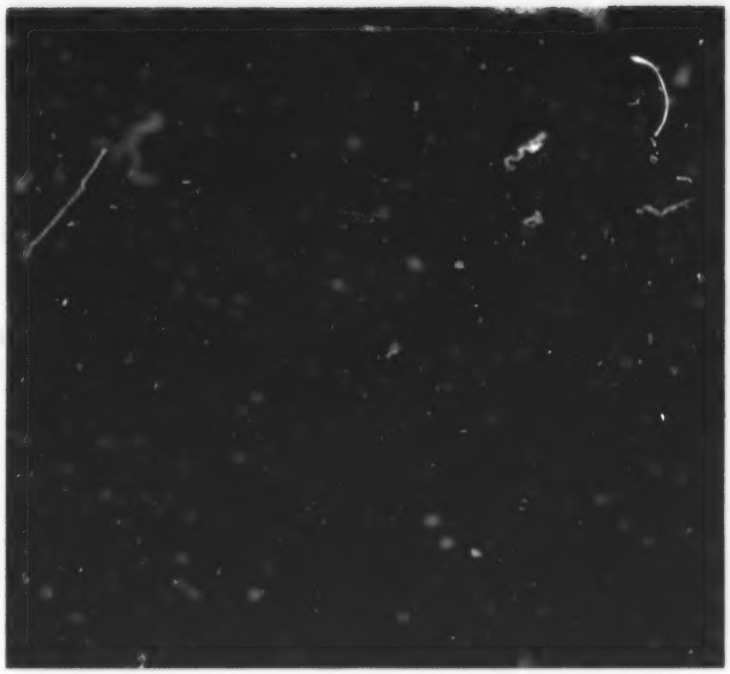


Net income for the year rose to $47.6 million from $36.0 million in the previous year. Earnings invested in the business increased to $187.5 million after an adjustment of $13.3 million for fuel-channel removal costs. The adjustment reflects performance bonus payments from export participants in the nuclear unit received in prior years but not previously included in the rate-setting process.

Total capital expenditures during 1988/89 were $120.1 million. Funds were borrowed during the fiscal year as follows: $125.0 million, 11% Debentures due 2008; $100.0 million, 10.75% Debentures due 2001; and Swiss Francs 75 million, 4% Debentures due 1992. The following higher cost borrowings from prior years were repaid during the period: US $100 million 15% Notes due May 1, 1991 (called May 1, 1989); US $60 million 17% Notes due October 1988; US $75 million 16.25% Notes due March 1, 1989, and Swiss Francs $73.77 million 5.25% Notes due August 30, 1992 (called August 1988).

The performance of the Point Lepreau generating station was another highlight of the fiscal year with a capacity factor of 96.5%. Point Lepreau currently supplies about 26.8% of New Brunswick's electrical energy and contributed more than $109 million in export revenue for 1988/89. During the year, NB Power awarded a contract to a Montreal electronics manufacturer for the supply of a nuclear simulator. The simulator will be a replica of the Point Lepreau control room and will be a vital element in staff training and qualification programs. The simulator will be operational in mid-1991.

Crews at work on the intake-spillway structure of the Mactaquac Generating Station.

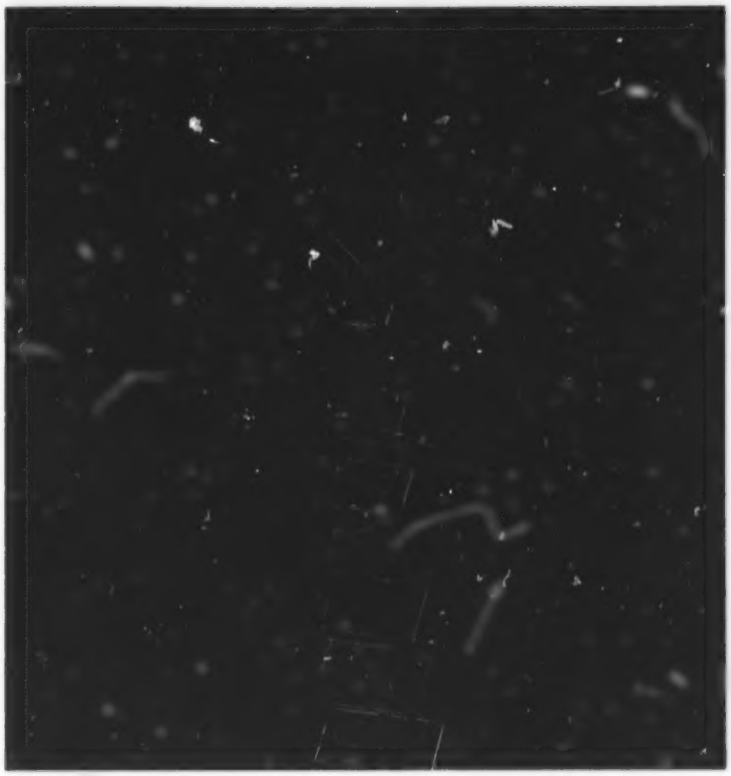


Commercial development has led to considerable growth in electrical load in the Moncton area. Main Street, Moncton.

A new 26,000 kilowatt substation was opened in Moncton in late 1988. The Church Street substation, which is three times the size of existing substations in the area, was built at a cost of $3.5 million to meet a growing electrical load.

Remedial measures to counteract the effects of expansion in the concrete structures at the Mactaquac hydro-electric generating station were undertaken during the year. The gradual expansion is caused by a reaction between the cement alkalis and the aggregate used in the concrete. Using a diamond-wire saw, a slot one centimetre wide was cut through the concrete intake-spillway structure to reduce the build-up of pressure.

A $19 million 30 megawatt combustion turbine generating unit is being installed on Grand Manan to improve security of supply for the 2,400 NB Power customers on the picturesque islands of Grand Manan, Deer Island and Campobello in the Bay of Fundy. The islands are now served by a single tie to the mainland consisting of a combination of overhead transmission lines and 18 kilometres of submarine cable.



A new 30 MW combustion turbine on Grand Manan will back-up the single tie line to the Fundy isles. Working on top of the tower, linemen Clifford Young, Robert Clement and Danny Doiron.

In January 1989, NB Power submitted an environmental impact assessment report to the Department of Environment for a proposed 450 megawatt thermal generating station at Belledune in northern New Brunswick. Environmental assessments had been done on three sites in the province: Belledune was considered the best undeveloped site from the point of view of initial development and possible future expansion. Construction of the station will begin following a formal environmental review and approval process currently underway. Tenders for the turbine generator and the boiler were awarded during the fiscal year to Mitsui & Co. (Canada) Ltd. and Combustion Engineering Canada Inc. respectively. As part of their tender packages, the two companies signed industrial benefits agreements to purchase goods and services from New Brunswick companies worth over $90 million.

Customer service remained a priority during the year. NB Power believes it has a responsibility to provide customers with the information they need to make informed energy decisions. Hence, energy-related material is made available to customers through an ongoing program of bill inserts and other publications. During the last quarter of the fiscal year, NB Power offered all customer classifications a special low interest incentive on its Conservation and Electrical Improvement Loan for energy-saving improvements.

For a number of years, NB Power has encouraged large and small industries throughout the province to make changes to their operations that result in increased energy conservation and more efficient energy use. To this end, NB Power is an active promoter of the Canadian Electrical Association's Energy Efficiency Award. The 1988 national award was won by Brunswick Smelting and Fertilizer of Belledune. The same company won this national award in 1986 and 1987. NB Power applauds its energy management initiatives.

Delbert Keith, coal handler (left) and Henry Bielecki, station manager, Grand Lake Generating Station. In the background, the new electrostatic precipitator on the #8 boiler.

Using a mobile decontamination unit, Sun Environmental Ltd. removed low-level PCBs from transformers around the province. The substation at Thomaston Corner, N.B.

Growing environmental awareness around the world is leading to new and costly challenges for the utility industry. NB Power stands ready to fully accept its responsibilities for safeguarding the environment. During the year, an electrostatic precipitator was installed on the Grand Lake 8 boiler. This $7.6 million project will result in a significant decrease in the emission of airborne fly ash particulates. An air monitoring system for the area around the Grand Lake plant was also installed in late 1988.

In February 1989, NB Power undertook a $1.1 million project which saw 160 metric tons of PCB-contaminated material and equipment sent to Pontepool, Wales, for environmentally-safe destruction. The shipments are part of NB Power's ongoing commitments to the management of PCB material. A comprehensive plan for managing the utility's remaining inventory of in-service PCB equipment is being implemented.

Line crews have counted over 74 osprey nests in current use built on power lines. This pair built their nest at Princess Park, Grand Lake.

Crews cleaned up trees and other debris which washed into Mactaquac Lake, a popular recreational area, during the spring run-off. Ernest Cormier tows away a logboom of driftwood.

In March 1989, NB Power signed an agreement with the provincial department of Natural Resources and Energy to protect osprey, a once endangered species, which frequently build nests on power lines. Under the agreement, the utility will trim osprey nests or, in special cases, relocate them to protect the osprey and prevent interruption of electrical service.

Gordon MacVicar instructs top student Clara Harris (now working for NB Power) in power engineering technology. Community College, Saint John.

During the year, NB Power continued its commitment to education in New Brunswick. It assisted the Community College in implementing four training courses for the construction trades to alleviate potential labour shortages on construction projects which are to begin in the near future. With the University of New Brunswick, it participated in a management development program for women. NB Power also took part in a federal government Job Entry/Re-Entry project for unemployed youth and women re-entering the workforce which saw 19 trainees receive Certificates of Achievement. The training, which was funded by Employment and Immigration Canada and valued at $143,000, involved 12 weeks of classroom instruction and 26 weeks of on-the-job training at several NB Power locations.

The past year was not without changes to internal operations. The March 31, 1989 retirement of Arthur J. O'Connor, president and general manager of NB Power for 22 years, marked the culmination of a lifetime of service to the utility. In a tribute to the retiring president, attended by his family, friends and co-workers and colleagues in the utility industry, Mr. O'Connor was recognized for his role in shaping NB Power into one of the most efficient and well-managed utilities in Canada. His dedication to the electrical supply industry and his passion for hard work have made NB Power an industry leader. Mr. O'Connor was succeeded as president and general manager by former executive vice-president, Frank MacLoon, who has been with the commission for 33 years.

At year end, 2,492 regular and temporary employees worked for NB Power compared to 2,410 employees as at March 31, 1988. The increase in the number of employees is a reflection of growing electrical loads within the province and the need to begin training staff for the new generation projects.

Pre-build engineering work is being done for the new 450 MW plant. A meeting of the project team from left to right Al Wark, Grover MacTavish, Chuck Baird, Stewart Jones and Ed Rivenbark.

In New Brunswick the demand for electricity is increasing beyond the rate of population and industrial growth due to a number of trends. In industry, an increased emphasis on conservation and efficiency often leads to a greater use of electrical processes. Conversions from oil to electric space-heating in the residential sector are continuing at a significant rate. In new home construction, with higher insulation values and lower heating requirements, electricity is almost the unanimous choice for space-heating. The commercial sector is also moving to an increased use of electricity.

These trends, together with normal growth and economic activity and expansion, have led to a 6% annual growth rate in electricity sales in the past five years. While average annual growth rates are projected to be just under 3% to the year 2000, the demands to be placed upon the electrical system rival those of any period in NB Power's history. In-province peak demand is forecast to rise by about 1000 megawatts by the year 2000.

NB Power is on the threshold of a major construction program. Over the next decade it will be building new low-sulphur, coal-fired or equivalent thermal generating units with a total capacity of up to 1000 megawatts. The first unit is proposed for Belledune. The Belledune unit, which is presently undergoing an environmental impact assessment and review process, has an estimated cost of $815 million and will provide a total of 3,000 person-years of employment over a four-and-one-half year construction period.

***A** new precipitator and ash silo were built for the Orimulsion project on the #1 unit, Dalhousie Generating Station.*

***N**B Power will continue to aggressively market power sales to New England. Carl Flynn, Director External Marketing.*

In keeping with its 1994 environmental commitments, NB Power plans to begin several other projects which are part of its sulphur dioxide reduction program including burning a lower sulphur oil at both the Courtenay Bay and Coleson Cove plants; or converting Unit #2 at Coleson Cove from heavy fuel oil to an alternative fuel if one is found that is both economic and practicable; building a new 150-200 MW coal-fired unit at Grand Lake using advanced combustion technology or scrubbers; and converting Unit #2 at Dalhousie from high sulphur, indigenous coal to a fuel low in sulphur.

NB Power is continuing to test burn local coal with a variety of sorbents in its advanced combustion research facility at Chatham. Chatham will also be used to evaluate the use of waste-wood fuel.

Discussions with the federal government are continuing with respect to possible further nuclear development. The utility is also studying the integrated development of two hydro-electric projects on the St. John River, one at Grand Falls and one downstream at Morrell, which together represent 450 megawatts of new capacity.

In the past, energy exports have been a major factor in keeping power rates stable in New Brunswick. NB Power will continue to aggressively market power sales to New England and, at the same time, work to increase transmission capacity to that region.

Financial Statements

Management Report

The financial statements of The New Brunswick Electric Power Commission have been prepared by management in accordance with generally accepted accounting principles as established in Canada. These financial statements are the responsibility of management and have been approved by the Commissioners. In management's opinion, the financial statements have been properly prepared in accordance with the accounting policies set out in notes to the financial statements. Financial information presented elsewhere in this annual report is consistent with that in the financial statements.

Management depends upon a system of internal controls to ensure that financial information is reliable and accurate and that assets are properly safeguarded. The controls and related systems are periodically reviewed by internal auditors.

The financial statements have been examined by the external auditors, Touche Ross & Co. Their responsibility is to express a professional opinion on the fairness of management's financial statements. The Auditors' Report outlines the scope of their examination and their opinion.

Auditors' Report

Touche Ross

The Honourable Frank McKenna,
Premier of the Province of New Brunswick,
Fredericton, New Brunswick

Sir:

We have examined the consolidated balance sheet of The New Brunswick Electric Power Commission as at March 31, 1989 and the consolidated statements of income, earnings invested in the business, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Commission as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the accounting change, with which we concur, as described in Note 11, on a basis consistent with that of the preceding year.

Touche Ross & Co.

Chartered Accountants

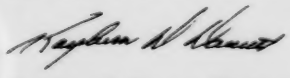
Fredericton, N.B.
June 26, 1989

Consolidated Balance Sheet

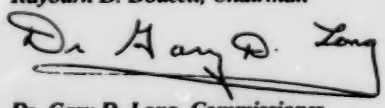
as at March 31, 1989

Assets	1989	1988
Fixed assets		
Land, buildings, plant and equipment, at cost, less accumulated depreciation, and construction-in-progress (Note 2)	$2,388,905,049	$2,362,609,298
Current assets		
Cash and short-term investments	47,392,454	139,028,004
Accounts receivable	107,045,159	94,936,124
Material, supplies and fuel	78,141,821	72,611,403
Prepaid expenses	3,208,502	3,077,771
	235,787,936	309,653,302
Deferred charges		
Unrealized foreign exchange differences, less amounts amortized (Note 3)	31,740,300	94,737,020
Nuclear unit decommissioning	51,392,544	53,533,908
Debenture and note discount and issue expenses, less amounts amortized	17,919,504	17,709,382
Other deferred charges	5,206,817	7,940,562
	106,259,165	173,920,872
	$2,730,952,150	$2,846,183,472

On behalf of The New Brunswick Electric Power Commission



Rayburn D. Doucett, Chairman



Dr. Gary D. Long, Commissioner

Consolidated Balance Sheet

as at March 31, 1989

Liabilities	1989	1988
Long-term debt (Note 4)		
Guaranteed by the Province of New Brunswick		
Debentures and notes issued by the Commission	$1,305,632,924	$1,603,681,965
Note payable to Atomic Energy of Canada Limited	327,426,493	332,813,814
Loans from Northern Canada Power Commission	37,886,226	39,938,997
Other long-term debt - not guaranteed	242,133,258	148,655,487
	1,913,078,901	2,125,090,263
Less payments due within one year	99,731,429	331,273,353
	1,813,347,472	1,793,816,910
Current liabilities		
Short-term indebtedness (Note 5)	9,573,470	7,933,679
Accounts payable and accruals	70,373,264	52,204,332
Accrued interest	92,542,830	102,308,922
Current portion of long-term debt	99,731,429	331,273,353
Holdbacks on contracts in progress	2,973,219	1,615,536
Service deposits	1,893,671	1,564,971
	277,087,883	496,900,793
Deferred liabilities		
Export sales stabilization account (Note 6)	23,287,050	10,792,953
Irradiated fuel management, nuclear unit decommissioning and fuel channel removal (Note 7)	142,091,020	108,938,193
Other (Note 8)	6,847,985	4,010,784
	172,226,055	123,741,930
Minority interest in subsidiary company	(40,766)	(32,292)
Generation equalization reserve (Note 9)	280,849,974	278,579,974
Earnings invested in the business	187,481,532	153,176,157
	$2,730,952,150	$2,846,183,472

Consolidated Statement

of Income for the year ended March 31, 1989

	1989	1988
Revenue		
Sales of power		
In-province	$600,448,687	$567,810,876
Out-of-province (Note 10)	240,943,026	285,137,931
Sales of steam	3,666,894	4,857,403
Miscellaneous	11,248,838	9,144,292
	856,307,445	866,950,502
Expenditure		
Purchased power	86,265,916	131,563,572
Generated power		
Fuel	187,983,361	175,243,798
Other	111,841,061	106,822,682
Operations, maintenance, administration and general	109,305,870	92,393,588
Depreciation (Note 11)	98,133,020	84,298,467
	593,529,229	590,322,107
Income before interest and exchange	262,778,216	276,628,395
Interest and exchange	252,340,140	258,556,686
Amortization of debenture discount and expense	3,097,013	3,883,253
Amortization of unrealized foreign exchange	(1,207,345)	22,303,624
	254,229,808	284,743,563
Less		
Income from sinking funds and other investments	49,995,066	44,286,053
Interest capitalized	3,817,524	2,365,147
	53,812,590	46,651,200
	200,417,218	238,092,363
Income before the following	62,360,998	38,536,032
Generation equalization adjustment	(2,270,000)	7,956,000
Transfer to export sales stabilization account (Note 6)	(12,494,097)	(10,525,173)
	(14,764,097)	(2,569,173)
	47,596,901	35,966,859
Minority interest in losses of subsidiary company	8,474	41,317
Net income for the year	$47,605,375	$36,008,176

Consolidated Statement

of Earnings Invested in the Business for the year ended March 31, 1989

	1989	1988
Balance at beginning of year	$153,176,157	$133,667,981
Adjustment for nuclear fuel channel removal (Note 11)	13,300,000	-
	139,876,157	133,667,981
Transfer - insurance reserve	-	7,500,000
Net income for the year	47,605,375	36,008,176
	187,481,532	177,176,157
Appropriation to generation equalization reserve	-	24,000,000
Balance at end of year	$187,481,532	$153,176,157

Consolidated Statement

of Changes in Financial Position for the year ended March 31, 1989

	1989	1988
Operating activities		
Net income for the year	$ 47,605,375	$ 36,008,176
Amounts charged or credited to operations not requiring a current cash payment	133,433,724	128,560,801
Cash earned from operating activities	181,039,099	164,568,977
Financing activities		
Debt retirements and sinking fund payments	(373,778,015)	(99,548,935)
Long-term debt obligations issued	222,663,582	111,505,486
Liquidation of insurance fund	-	7,918,281
Cash provided by (used in) financing activities	(151,114,433)	19,874,832
Investment activities		
Expenditure on fixed assets	(120,111,781)	(70,990,627)
Increase in deferred charges	(351,109)	(5,897,399)
Amounts financed by customer contributions and proceeds on disposal of fixed assets	4,943,844	4,739,276
Cash provided by (used in) investment activities	(115,519,046)	(72,148,750)
Net change in non-cash working capital balances	(7,680,961)	1,188,305
Net increase (decrease) in cash during year	(93,275,341)	113,483,364
Cash position at beginning of year	131,094,325	17,610,961
Cash position at end of year	$ 37,818,984	$131,094,325
Represented by		
Cash and short-term investments	$ 47,392,454	$139,028,004
Short-term indebtedness	(9,573,470)	(7,933,679)
	$ 37,818,984	$131,094,325

Notes to Consolidated Financial Statements
March 31, 1989

1. Summary of significant accounting policies

The financial statements, which have been prepared in conformity with generally accepted accounting principles as established in Canada, give effect to the Commission's mandate to set power rates. The financial statements include the accounts of the Commission and those of its 90% owned subsidiary, N.B. Coal Limited.

a. Fixed asset additions and retirements

The cost of additions to fixed assets is the original cost of contracted services, direct labour and material, interest on funds used during construction and indirect charges for administration and other expenses, less credits for the value of power generated during commissioning. Administration and other expenses are capitalized during construction by applying a portion of such overheads to direct construction costs incurred each month.

Interest during construction is capitalized monthly based on the cost of long-term borrowings.

Contributions in aid of construction include amounts received from customers as well as government grants in respect of new facilities and are netted against the cost of plant financed thereby. Amounts received from customers are being amortized over the estimated service lives of the related assets, and the resulting credit is offset against the corresponding provision for depreciation.

Depreciation is provided for all assets sufficient to amortize the cost of such assets, less estimated salvage value where applicable, over their estimated service lives. The nuclear generating station is depreciated using an escalating charge method with annual increases based upon a 3% factor. Depreciation is provided on mining equipment under capital lease on an increasing charge basis, the depreciation amount being equal to the principal debt retirement required under the lease obligation, such that the annual depreciation and interest charge to income is the same as the annual lease payments over the life of the lease. All other assets are depreciated on a straight-line basis. Depreciation is provided on the net cost of fixed assets in respect of which government grants have been provided. The estimated composite service lives of the main categories of fixed assets, which are reviewed periodically, are currently as follows:

Assets	Years
Hydro Generating Stations	83
Thermal Generating Stations	30
Nuclear Generating Station	30
Gas Turbine Generating Station	20
Diesel Generating Station	25
Terminals and Substations	30
Transmission System	45
Distribution System	28
Buildings	
- General	40
- Head Office	50
Mining equipment	20

b. Inventories

Inventories of materials and supplies are valued at average cost. Oil and nuclear fuel inventory is valued at cost using the first-in, first-out method. Coal inventory is valued at the lower of average cost, which includes the costs of direct labour and overhead, and net realizable value.

c. Debenture and note discounts and premiums, and issue expenses

The Commission amortizes debenture and note discounts or premiums and the expenses of issues over the lives of the issues to which they pertain.

d. Other deferred charges

Survey and engineering expenses relating to construction projects being considered are deferred until a project is authorized for construction by the Commission. Such costs, together with preproduction and net development costs relating to mining operations, and certain training costs are then amortized against future income either directly or by annual depreciation charges resulting from certain of the items being capitalized. The costs of major geological studies undertaken to establish the location and quality of coal deposits are deferred and amortized on a straight-line basis over five years, commencing in the year subsequent to the year in which the exploration costs were incurred.

e. Foreign exchange transactions

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at rates of exchange prevailing at the balance sheet date except where such items have been hedged by the acquisition of a forward exchange contract, in which case the rate established by the terms of the contract is used in the translation. Unrealized losses or gains arising on translation of long-term items are amortized to income on a straight-line basis over the remaining life of the related monetary assets or liabilities, except that amounts associated with the financing of major construction projects still in progress are deferred until the project is completed before being amortized over the then remaining life of the related monetary liabilities. The unamortized balance of the deferred exchange gains or losses are accumulated in an unrealized foreign exchange account which is shown on the balance sheet under deferred charges.

Exchange gains or losses resulting from transactions affecting current operations are reflected in income as realized.

f. Revenue

Billings to residential and general service customers are rendered monthly on a cyclical basis. All other customers are billed at the end of each month. Revenue in respect of items not billed at the end of a fiscal period is estimated and accrued.

g. Deferred costs or revenues

The Commission's power rates are established annually to recover its operating costs and a return on its investment consistent with prudent financial management. Each year certain factors relating to water flow conditions, nuclear operating performance and export sales transactions, which are largely outside the control of the Commission, may result in costs or revenues which vary from those originally included in the calculation of revenue requirements. The Commission accounts for such variations through a Generation Equalization Adjustment and an Export Sales Stabilization Account.

Generation Equalization Adjustment

In order to equalize the fluctuations in generating costs caused by variations from average water flow conditions and nuclear operating performance, the Commission annually charges or credits income with an amount calculated to adjust such costs to an average value. The offsetting debit or credit is included in the generation equalization reserve account. The calculation of the adjustment is based on historical water flow data compiled over a period of 35 years and on the performance expectations of the nuclear generating station developed from comparable industry statistics and the operating experience of the nuclear unit itself.

Export Sales Stabilization Account

The Commission annually charges or credits income with the difference between actual and forecast earnings on export sales transactions, other than those under participation or ownership contracts, with neighbouring utilities. The offsetting debit or credit is included in the Export Sales Stabilization Account. Amounts so deferred are brought into the calculation of future revenue requirements in equal amounts over a period of three years and are amortized to the income statement on this basis.

h. Irradiated fuel management, nuclear unit decommissioning and fuel channel removal

In order to provide for the estimated future costs of permanently disposing of irradiated nuclear fuel and decommissioning the nuclear generating station to return the site to a state of unrestricted use, the Commission annually charges income with amounts calculated to be adequate, when accumulated with interest, to cover the total costs of these future activities as they occur. The calculations of the anticipated future costs are based on a detailed study which takes into account various assumptions regarding the method and timing of dismantlement of the nuclear facility, the cost of transportation of nuclear material to permanent disposal facilities, and estimates of interest and inflation rates in the future. With respect to irradiated nuclear fuel, the annual charge is related to the amount of nuclear fuel consumed while decommissioning requirements are on the basis of equal annual amounts over the life of the unit.

Commencing in the fiscal year ended March 31, 1989 (see Note 11), the Commission is also providing through an annual charge to income for the estimated future costs of removing fuel channels at the nuclear generating station for replacement. The anticipated future costs have been calculated based on the experience already developed by another Canadian electric utility in removing tubes for replacement and on the assumption that fuel channel replacement will become necessary in 1998.

The Commission is accounting for these transactions through means of deferred asset and deferred liability accounts. The total amount required to be collected over the life of the unit to cover decommissioning activities was recorded in these accounts as of the date the nuclear unit was placed in service. The deferred asset account is reduced annually by the amount collected from customers for decommissioning. The deferred liability account is increased each year by the amount collected from customers to cover fuel channel removal and disposal of irradiated nuclear fuel consumed during the year and by interest, compounded annually, on the accumulated amounts collected. Interest is calculated at the Commission's long-term borrowing rate and is charged to income annually.

In view of potential developments in the technology of decommissioning, fuel channel removal and irradiated fuel management, and because of the various assumptions and estimates inherent in the calculations, the Commission reviews such calculations periodically, making adjustments as necessary on a prospective basis.

i. Pension plans

Commission employees belong to the Province of New Brunswick Public Service Superannuation Plan. This multi-employer plan provides pensions based on length of service and average of the highest five consecutive years of earnings. The Commission and its employees make contributions to the plan as prescribed in the Public Service Superannuation Act, and the Commission's share is reflected as a charge against income.

An actuarial review has estimated the Commission's share of the Province's unfunded pension obligation. Based on this estimate, the Commission annually charges income with amounts calculated to be adequate, when accumulated with interest over the estimated average remaining service lives of the employees, to fund the obligation. Amounts so charged are shown on the balance sheet under deferred liabilities-other.

N.B. Coal maintains a contributory defined benefit pension plan for its employees. Pension costs are actuarially determined each year using the projected benefit method pro-rated on services and management's best estimate assumptions. Adjustments arising from plan amendments, experience gains and losses, changes in actuarial assumptions and the difference between the actuarial present value of accrued pension obligations and the market-related value of pension assets are amortized on a straight line basis over the expected average remaining service lives of the respective employee group. The market-related value for pension plan assets is the estimated market value as at March 31, 1989. The latest actuarial review carried out in March 1989 indicated that the actuarial present value of accrued pension benefits was fully funded.

2. Fixed Assets	1989	1988
Land, building, plant and equipment, at cost		
Power generating stations	$2,286,280,389	$2,269,766,083
Transmission system	177,135,457	175,390,431
Substations	222,745,998	210,160,307
Distribution system	380,201,434	347,931,052
Other properties	36,117,725	33,026,066
Communications equipment	7,569,282	7,419,970
Mining equipment and related assets*	52,238,311	50,374,349
Motor vehicles and miscellaneous equipment	46,339,880	40,169,161
	3,208,628,476	3,134,237,419
Less		
Contributions in aid of construction	16,506,907	15,163,714
Government grants	58,000,000	58,000,000
	74,506,907	73,163,714
	3,134,121,569	3,061,073,705
Less accumulated depreciation	809,410,121	723,413,687
	2,324,711,448	2,337,660,018
Construction-in-progress	64,193,601	24,949,280
	$2,388,905,049	$2,362,609,298

* Includes $36,419,501 (1988 - $34,792,241) being the gross amount of assets under capital lease. Accumulated depreciation includes $10,427,294 (1988 - $8,798,181) with respect to these assets.

3. Unrealized foreign exchange differences, less amounts amortized	1989	1988
Exchange adjustment at balance sheet date		
On debentures and notes issued by the Commission		
Payable in Swiss francs	$ 53,572,757	$ 96,396,689
Payable in United States dollars	90,430,369	125,124,254
On other debentures issued		
Payable in United States dollars	(5,418,000)	(1,737,000)
Exchange adjustment on assets denominated in foreign currencies held in sinking funds maintained by the Province of New Brunswick	5,151,844	(1,555,987)
	143,736,970	218,227,956
Less accumulated amortization	111,996,670	123,490,936
	$ 31,740,300	$ 94,737,020

4. Long-term debt

Debentures and notes issued by the Commission

Date of maturity	Interest rate %	1989	1988
Payable in Canadian dollars			
1988 November 1	5½	$ –	$ 2,000,000
1989 October 15	8½	228,000	228,000
1990 January 10	11¼	50,000,000	50,000,000
1990 May 15	13¾	73,117,000	73,117,000
1990 August 1	9	293,000	293,000
1991 July 1	5¾	5,000,000	5,000,000
1992 March 15	5½	7,350,000	7,350,000
1993 February 8	11¼	100,000,000	100,000,000
1993 November 1	5½	6,000,000	6,000,000
1994 June 15	5½	10,000,000	10,000,000
1994 December 31	5½	3,790,000	3,790,000
1995 May 1	6¼	15,000,000	15,000,000
1995 May 15	10⅜	20,000,000	20,000,000
1995 October 15	5¾	7,500,000	7,500,000
1996 January 1	6	13,800,000	13,800,000
1996 March 1	6	4,000,000	4,000,000
1996 October 1	6½	6,100,000	6,100,000
1996 November 15	7⅞	20,000,000	20,000,000
1997 October 15	8⅜	20,000,000	20,000,000
1998 November 15	8½	25,000,000	25,000,000
1999 October 1	11	24,674,000	24,674,000
1999 December 31	5½	8,210,000	8,210,000
2000 March 1	10	50,000,000	50,000,000
2000 August 25	11⅞	35,000,000	35,000,000
2003 December 21	10¼	75,000,000	75,000,000
2004 November 1	13¼	100,000,000	100,000,000
2005 January 10	11¼	50,000,000	50,000,000
2005 May 1	12½	75,000,000	75,000,000
2008 October 12	11	125,000,000	–
		930,062,000	807,062,000
Payable in Swiss francs			
1991 September 26 (SFr80,000,000)	5	33,111,200	33,111,200
*1992 July 15 (SFr75,000,000)	4	34,174,593	33,203,877
1993 March 30 (SFr65,000,000)	3¾	37,123,450	39,979,100
Canadian dollars at date of issue		104,409,243	106,294,177
Exchange adjustment at balance sheet date		53,572,757	96,396,689
		157,982,000	202,690,866

**Refinancing SFr73,770,000, orginally due August 30, 1992, bearing interest at 5¼%.*

Date of maturity	Interest rate %	1989	1988
Payable in United States dollars			
1988 October 1	17	US $ –	US $ 60,000,000
1989 March 1	16¼	–	75,000,000
1990 April 25	5	3,947,000	4,847,000
1991 May 1	5½	5,541,000	6,366,000
1991 May 1	15	–	100,000,000
1991 November 15	6	17,500,000	17,500,000
1992 October 15	6½	15,000,000	15,000,000
1993 February 15	6⅞	15,000,000	15,000,000
1994 February 1	7¼	10,000,000	10,000,000
1994 June 10	7¾	55,000,000	55,000,000
1995 October 1	10½	75,000,000	75,000,000
1997 February 15	9	56,250,000	62,500,000
1998 April 1	7⅞	29,250,000	30,825,000
2001 May 1	9⅛	100,000,000	100,000,000
2004 April 1	8¼	50,000,000	50,000,000
2005 January 15	10	75,000,000	75,000,000
2007 August 1	8¾	75,000,000	75,000,000
United States dollars		582,488,000	827,038,000
Exchange premium at date of issue		CDN $ 22,106,312	CDN $ 71,512,341
Exchange adjustment at balance sheet date		90,430,369	125,124,254
		695,024,681	1,023,674,595
		1,783,068,681	2,033,427,461
Less sinking fund assets held in trust by the Province of New Brunswick			
Book value		482,587,601	428,189,509
Exchange adjustment on assets denominated in foreign currencies		(5,151,844)	1,555,987
		477,435,757	429,745,496
		$1,305,632,924	$1,603,681,965

	1989	1988
Atomic Energy of Canada Limited		
Note payable in equal annual instalments of principal and interest at 9.7064% per annum to the year 2008	$327,426,493	$332,813,814
Northern Canada Power Commission		
Loans repayable in annual instalments of principal and interest at rates varying from 4½% to 8½% per annum to the year 2011	$ 37,886,226	$ 39,938,997
Other long-term debt - not guaranteed		
Debentures held by the Province of New Brunswick		
Repayable on March 3, 2018 and bearing interest at 9½% per annum	US $ 90,000,000	US $ 90,000,000
Exchange adjustment at date of issue	CDN $ 22,806,000	CDN $ 22,806,000
Exchange adjustment at balance sheet date	(5,418,000)	(1,737,000)
	107,388,000	111,069,000
Repayable on February 22, 2001 and bearing interest at 10¾% per annum	100,000,000	-
	207,388,000	111,069,000
Less sinking fund assets held in trust by the Province of New Brunswick	900,000	-
	206,488,000	111,069,000
City of Campbellton - in respect of the purchase of distribution system; payable in equal annual instalments of principal and interest at 9¼% per annum to the year 1993	547,479	656,676
Government of Canada - in respect of the construction of a transmission line from Coleson Cove to Salisbury; payable in equal annual instalments of principal and interest at rates varying from 9¼% to 9⅜% per annum to the year 2011	5,967,257	6,050,258
Term demand loans of N.B. Coal, at interest rates which approximate the bank's prime lending rate, payable under term repayment provisions to the year 1992 (Note 5)	2,350,000	3,650,000
Obligations under capital lease		
Dragline lease of N.B. Coal payable together with interest at 7.35% per annum in equal semi-annual instalments to the year 1999, subject to rate renegotiation at December 31, 1989	25,075,329	26,741,843
Other	1,705,193	487,710
	26,780,522	27,229,553
Total other long-term debt - not guaranteed	$242,133,258	$148,655,487

Long-term debt payments

Long-term debt maturities (after deducting sinking funds estimated to be available at maturity inclusive of actual earnings to March 31, 1989 and future earnings calculated at 8%) and sinking fund requirements, and minimum lease payments, in respect of debt outstanding at March 31, 1989 are as follows for the five years ending March 31, 1994, using exchange rates in effect at March 31, 1989 for debt denominated in foreign currencies:

	Debt maturities and sinking fund obligations	Minimum lease payments
Year ending March 31, 1990	$ 97,574,000	$ 4,109,549
Year ending March 31, 1991	128,866,000	3,532,779
Year ending March 31, 1992	60,430,000	3,426,779
Year ending March 31, 1993	179,507,000	3,426,779
Year ending March 31, 1994	24,210,000	3,315,455
Years ending March 31, 1995 - 1999		22,463,940
Total minimum lease payments		40,275,281
Less amount representing implicit interest		13,494,759
		$26,780,522

Sinking funds

The Minister of Finance of the Province of New Brunswick, as Trustee for the Commission, maintains a sinking fund for all debenture issues requiring same. Sinking fund earnings are reflected in the Commission's income. Commission debentures held in the fund are not cancelled until maturity.

5. Short-term indebtedness

Short-term borrowings from banks are payable on demand and are reflected on the balance sheet, together with outstanding cheques, under the caption "Short-term indebtedness". The Commission has bank lines of credit, guaranteed by the Province of New Brunswick, for short-term borrowings totalling $130,000,000. The Commission also borrows funds for temporary purposes from other sources from time to time including the Province of New Brunswick.

N.B. Coal has bank lines of credit which, together with the term demand loans referred to in Note 4, are secured by a general assignment of book debts, assignment of inventory under Section 178 of the Bank Act, and a chattel mortgage on certain assets.

The total of all short-term borrowings was $4,966,844 at March 31, 1989 (1988-$1,845,251).

6. Export Sales Stabilization Account	1989	1988
Balance at beginning of year	$ 10,792,953	$ 267,780
Excess of actual over forecast earnings from export sales for year	15,978,982	8,940,095
Amount amortized	(3,484,885)	1,585,078
	12,494,097	10,525,173
Balance at end of year	$23,287,050	$10,792,953

7. Irradiated fuel management, nuclear unit decommissioning and fuel channel removal	1989	1988
Balance at beginning of year	$108,938,193	$97,349,090
Amounts collected from customers to cover cost of		
- fuel channel removal (Note 11)	18,600,000	-
- disposal of nuclear fuel consumed during the year	7,892,451	6,736,511
- interest	6,660,376	4,852,592
Deferred liability account for irradiated fuel management, nuclear unit decommissioning and fuel channel removal	142,091,020	108,938,193
Less deferred asset account for nuclear unit decommissioning	51,392,544	53,533,908
Cumulative amount collected from customers	$ 90,698,476	$55,404,285

Charges for irradiated fuel management, nuclear unit decommissioning and fuel channel removal, including interest, are brought into the calculation of revenue requirements each year and collected from in-province and interconnected customers through sales of power.

The total amount so collected is represented by the net of the liability account and the deferred asset account for nuclear unit decommissioning. This amount is currently being utilized by the Commission as a source of funds.

8. Deferred liabilities - other	1989	1988
Provision for unfunded pension obligation	$6,171,559	$2,775,000
Provision for N.B. Coal land reclamation costs	676,426	1,235,784
	$6,847,985	$4,010,784

9. Generation equalization reserve	1989	1988
Balance at beginning of year	$278,579,974	$262,535,974
Generation equalization adjustment	2,270,000	(7,956,000)
Generation equalization appropriation	-	24,000,000
Balance at end of year	$280,849,974	$278,579,974

In addition to the annual adjustment to generation cost described in Note 1.g., the Commission increases the generation equalization reserve by appropriations from earnings invested in the business. Total appropriations to the reserve amounted to $176,000,000 at March 31, 1989 (1988 - $176,000,000).

Appropriations are made to help ensure that the reserve is sufficient to cover the cost of replacement power in the event of unfavourable water flow conditions and nuclear operating performance for an extended period.

10. Sales of power

Out-of-province sales of power include $200,533,335 (1988 - $253,223,185) to utilities in the United States. The price of these sales includes incremental fuel and operating costs plus a margin of net benefit to the Commission.

11. Depreciation

	1989	1988
Depreciation on fixed assets	$90,691,656	$82,157,103
Charges for decomissioning	2,141,364	2,141,364
Charges for fuel channel removal	5,300,000	-
	$98,133,020	$84,298,467

The Commission has started in the fiscal year ended March 31, 1989 to provide for the estimated future costs of removing fuel channels at the nuclear generating station for replacement. While the cost of installing the new fuel channels will become a depreciable asset and be collected from future customers through the rate setting process, the cost of removing the existing channels is more properly chargeable to those customers who benefit from the power produced during their lifetime.

The Commission has determined that an adjustment to earnings invested in the business for fuel channel removal is appropriate to the extent of performance bonus payments received from export participants in the nuclear generating station which have been taken into revenue in previous years. These bonuses were not included in the rate setting process in previous years. The adjustment to earnings invested in the business, amounting to $13,300,000, accordingly represents the total amount of performance bonus payments received in years up to March 31, 1988. This amount has been applied to reduce the total amount to be collected from customers to cover the cost of the fuel channel removal activities. The remaining amount will be collected in equal annual amounts until the channels are removed. Interest charges will apply with effect from April 1, 1989.

12. Capital commitments

The Commission is planning for the construction of a 450 megawatt thermal generating unit at Belledune. Commencement of construction is subject to environmental approval and final provincial government authorization. The estimated cost of the Belledune generating unit is $815 million.

The Commission has entered into two major contracts for the supply of the steam generating unit and auxiliaries, and the steam turbine, generator and ancillary plant for a 450 megawatt generating unit. The contract prices are $80.6 million and $54.6 million respectively. Both contracts are subject to cancellation clauses at the Commission's option.

Corporate Information

Commissioners from left to right: Gary Long, Nathan Rubin, Bélonie Mallet, Rayburn Doucett (Chairman) George Lloyd, Bill Malenfant, Richard Duguay, Tim Isaac.

Managing Officers

Arthur J. O'Connor
President and
General Manager
Retired March 31, 1989

Frank C. MacLoon
Executive Vice-President

Richard A. Toner
Senior Vice-President
Administration

G. Linwood Titus
Senior Vice-President
Operations

Peter J. Dykeman, Q.C.
Vice-President Legal and
Corporate Secretary

Kenneth B. Little
Vice-President Finance

Terrence S. Thompson
Director, Public Affairs
and Marketing

Frank H. Ryder
Director,
Corporate Economic
Studies

Commission

Rayburn D. Doucett,
Chairman
Bélonie Mallet
Gary D. Long, Ph.D
George Lloyd
Tim Isaac
Nathan J. Rubin
Bill Malenfant
Richard Duguay, O.D.

Statement of Generation and Sales

	1988/89 Kilowatt Hours	1987/88 Kilowatt Hours	Difference Kilowatt Hours	Difference %
Generation				
Hydro	2 302 221 500	2 113 086 300	1[illegible] 135 200	9.0%
Thermal	7 900 119 200	5 588 646 500	2 311 472 700	41.4%
Nuclear	5 746 967 000	5 453 420 000	293 547 000	5.4%
Diesel	81 400	172 500	-91 100	-52.8%
Purchases	3 359 898 700	5 745 221 400	-2 385 322 700	-41.5%
Gross Generation & Purchases	19 309 287 800	18 900 546 700	408 741 100	2.2%
Station Service	947 121 500	838 053 300 **	109 068 200	13.0%
Net Generation & Purchases	18 362 166 300	18 062 493 400 **	299 672 900	1.7%
Losses-Transformer & Transmission	651 566 249	632 679 841 **	18 886 408	3.0%
Losses % of Net Generation & Purchases	3.55%	3.5% **		
Total Energy Available for Distribution & Sales	17 710 600 051	17 429 813 559 **	280 786 492	1.6%
Sales				
Wholesale	971 398 608	911 591 794 **	59 806 814	6.6%
Industrial Power	5 069 420 645	4 960 841 321 **	108 579 324	2.2%
General Service	1 633 427 794	1 498 517 523	134 910 271	9.0%
Residential	3 734 108 459	3 361 045 873	373 062 586	11.1%
Average Annual kW.h per Residential Customer	15 585	14 328	1 257	8.8%
Street Lights	63 211 668	60 619 862	2 591 806	4.3%
Total In-Province Sales	11 471 567 174	10 792 616 373 **	678 950 801	6.2%
Interconnections	5 946 397 000	6 312 012 000 **	-365 615 000	-5.8%
Grand Total Sales	17 417 964 174	17 104 628 373 **	313 335 801	1.8%
Internal Use	363 697	394 935 **	-31 238	-7.9%
Distribution Losses	292 272 180	324 790 251 **	-32 518 071	-10.0%
Total Energy Distributed & Sold	17 710 600 051	17 429 813 559 **	280 786 492	1.6%

Statement of Operating and Physical Statistics

	31 March 1989	31 March 1988	31 March 1987	31 March 1986	31 March 1985
Plant Nameplate Capacity-kW	3 189 976	3 189 976	3 189 976	3 189 976	3 189 976
Total Revenue	$ 856 307 445	$ 866 950 502	$ 825 230 136	$ 894 349 683	$ 834 207 263
Total Expenditures and Appropriations	$ 808 702 070	$ 854 942 326	$ 812 925 700	$ 880 421 689	$ 828 600 337
Fixed Assets, Including Work in Progress	$3 198 315 170	$3 086 022 985	$3 020 901 343	$2 903 246 670	$2 857 840 021
Current Assets	$ 235 787 936	$ 309 653 302	$ 211 149 136	$ 205 458 297 **	$ 190 109 633
Current Liabilities	$ 277 087 883	$ 496 900 793	$ 239 927 681	$ 255 352 964	$ 308 998 965
Inventories	$ 78 141 821	$ 72 611 403	$ 72 963 969	$ 67 069 700	$ 78 457 920
Long Term Debt - Net	$1 813 347 472	$1 793 816 910	$2 088 454 785	$2 162 631 985	$2 127 953 404 **
Sinking Funds Assets	$ 478 335 757	$ 429 745 496	$ 369 330 341	$ 318 077 572	$ 253 682 054 **
Accumulated Depreciation	$ 809 410 121	$ 723 413 686	$ 642 875 907	$ 550 568 272	$ 484 942 575
Other Reserves, Earnings Retained & Minority Interest	$ 468 290 740	$ 431 723 839	$ 403 712 980	$ 358 264 519 **	$ 311 780 781
Kilometres Transmission Lines	6 255	6 259	6 160	6 105	6 033
Kilometres Distribution Circuits	24 555	24 155	23 861	23 494	23 255
Number Residential Customers	239 598	234 572	229 293	223 579	218 837
Number Industrial Customers	1 695	1 637	1 574	1 540	1 478
Number General Service Customers	20 425	19 806	19 232	18 756	18 283
Number Street Light Customers	2 741	2 556	2 387	2 234	2 199
Direct Customers	264 459	258 571	252 486	246 109	240 797
Indirect Customers	39 081	38 773	38 436	38 169	37 641
Total Customers	303 540	297 344	290 922	284 278	278 438

**Restated

nterconnection Map

Generating Station Data

	No. of Units	Nameplate Capacity kW
Hydro		
[illegible]	6	653 400
[illegible]	3	115 000
[illegible]	4	63 000
[illegible]	3	20 000
[illegible]	1	10 000
[illegible]	5	3 900
Total Hydro	*23*	*865 300*
Nuclear		
[illegible]	1	630 000
Total Nuclear	*1*	*630 000*
Oil Coal		
[illegible]	3	1 005 000
[illegible]	4	263 865
[illegible]	2	280 000
[illegible]	4	85 000
[illegible]	2	32 500
[illegible]	1	25 000
[illegible]	5	3 811
Total Oil Coal	*21*	*1 694 676*
Grand Total	*45*	*3 189 976*

[illegible]

[illegible]

La Commission d'energie electrique du Nouveau Brunswick
[illegible]

[illegible]

The New Brunswick Electric Power Commission
[illegible]